

Message Text

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PAGE 01 HONG K 04646 01 OF 02 261004Z

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ACTION EB-07

INFO OCT-01 EA-09 ISO-00 COME-00 CIAE-00 INR-07 NSAE-00

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----- 116709

P 260609Z APR 76

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC PRIORITY 0062

UNCLAS SECTION 1 OF 2 HONG KONG 4646

E.O. 11652: N/A

TAGS: BEGEN

SUBJECT: RELATIONSHIPS WITH AMERICAN CHAMBER HONG KONG

REF: STATE 094266

1. WE ARE FORTUNATE IN HAVING A LARGE AND UNUSUALLY ACTIVE AMERICAN CHAMBER IN HONG KONG (WHICH OUR PREDECESSORS TO THEIR CREDIT PRODDED INTO BEING SOME EIGHT YEARS AGO). THIS POST'S RELATIONSHIP WITH THE CHAMBER HAS CONTINUOUSLY BEEN ESPECIALLY CLOSE, STRONG AND EFFECTIVE, TO A DEGREE THAT IT WAS SINGLED OUT SEVERAL TIMES BY DELEGATES TO THE RECENT APCAC MEETING FOR FAVORABLE COMMENT AND AS A MODEL FOR OTHER AMCHAMS AND POSTS IN THE PACIFIC AREA. ESTABLISHED POST POLICY HAS LONG ACCORDED HIGH PRIORITY TO LIAISON WITH THE CHAMBER NOT ONLY BY THE COMMERCIAL SECTION BUT BY ALL PERTINENT POST ELEMENTS (USIS, ECON, POL, AGR, TRSY, ADMIN, ETC. AND UP TO AND INCLUDING THE PRINCIPAL OFFICER). THIS HAS RESULTED IN POST INPUTS AND AND COOPERATION FOR VIRTUALLY EVERY AREA IN WHICH THE CHAMBER IS ACTIVE AND ACROSS ALL ECHELONS OF ITS MEMBERSHIP. HARDLY A DAY PASSES IN WHICH THERE IS NOT ONE BUT SEVERAL CONTACTS WITH THE CHAMBER AT ONE LEVEL OR ANOTHER ON SOME MATTER OR PROJECT OF JOINT INTEREST. IT ALSO IS VERY MUCH OF A TWO-WAY LIAISON IN WHICH EACH OF US CONTRIBUTE TO THE OTHERS PROJECTS (WHEN THEY ARE NOT UNDERTAKEN JOINTLY) AND IN WHICH VIEWS, JUDGMENTS

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PAGE 02 HONG K 04646 01 OF 02 261004Z

AND IDEAS ARE LIBERALLY EXCHANGED. WHILE POLICY AND

PROCEDURAL DIFFERENCES INEVITABLY ARISE FROM TIME TO TIME, OUR CLOSE RELATIONSHIPS AND RESPECT FOR EACH OTHER USUALLY PERMIT US TO RESOLVE THEM IN A MUTUALLY ACCEPTABLE WAY.

2. THE FOLLOWING ARE SOME KEY EXAMPLES OF OUR ACTIVITIES WITH THE LOCAL CHAMBER.

(A) MONTHLY MEETINGS. FOR SEVERAL YEARS THE LAST FRIDAY AFTERNOON OF EVERY MONTH HAS BEEN DEVOTED TO MEETINGS WITH THE CHAMBER' BOARD OF GOVERNORS BY THE CONSUL GENERAL AND HIS KEY OFFICERS FOR REVIEWING POLITICAL AND ECONOMIC DEVELOPMENTS IN HONG KONG, THE PRC, VIETNAM, THE US. ETC. AND FOR DISCUSSING WHATEVER MATTERS WERE OF JOINT CONCERN AT THE TIME. AT THE BOARD'S RECOMMENDATIONS, THESE MONTHLY MEETINGS HAVE NOW BEEN ENLARGED AND OPENED TO ALL CHAMBER MEMBERS. (BECAUSE OF SPACE LIMITATIONS, INVITATIONS ARE BEING ISSUED ROTATIONALLY SO THAT EACH CHAMBER MEMBER CAN BE INVITED TO AT LEAST ONE MEETING A YEAR.)

(B) AMERICAN FORTNIGHT. THIS MASSIVE 1975 TRADE PROMOTION COMPRISING OVER 100 SEPARATE EVENTS IN A TWO WEEK PERIOD (AND WHICH GENERATED SOME \$40 MILLION IN ACTUAL AND PROJECTED U.S. SALES) TOOK OVER A YEAR TO PLAN AND ORGANIZE. IT WAS A JOINTLY-SPONSORED VENTURE WITH THE POST AND THE CHAMBER EACH SUPPLYING FROM THE OUTSET A CO-DIRECTOR AND THEN LATER SUB-PROJECT DIRECTORS, VOLUNTEER WORKERS, DISPLAY AND SPACE FACILITIES, TRANSPORTATION AND MANY OTHER RESOURCES NEEDED TO COPE WITH THE MYRIAD OF DETAILS INVOLVED.

(C) COMMITTEE MEMBERSHIP. THE CHAMBER HERE RELIES HEAVILY ON STANDING AND AD HOC COMMITTEES TO CARRY OUT ITS MAIN ACTIVITIES. EACH COMMITTEE HAS ITS OWN PANEL OF OFFICERS PLUS INTERESTED CHAMBER MEMBERS AND SOMETIMES ONE OR MORE SUB-COMMITTEES OR WORKING GROUPS. THE STANDING COMMITTEES USUALLY MEET MONTHLY (AND OFTEN MORE FREQUENTLY) AND THERE ARE CURRENTLY 12 OF THEM

UNCLASSIFIED

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PAGE 03 HONG K 04646 01 OF 02 261004Z

(EXCLUDING 3 IN-HOUSE COMMITTEES) ALL OF WHICH HAVE AT LEAST ONE CONGEN OFFICER AND SOMETIMES TWO OR MORE DESIGNATED TO ATTEND THE MEETINGS REGULARLY E.G. APCAC COMMITTEE (DPO), TRADE EXPANSION COMMITTEE (COML AND AGR), CHINA COMMERCIAL RELATIONS (COML, ECON & AGR), LABOR RELATIONS (POL), LIVING CONDITIONS (ADMIN), BANKING AND FINANCE COML AND TRSY), COMMUNITY AFFAIRS (USIS), PUBLIC

RELATIONS AND PUBLICATIONS (USIS), ETC. APRO-
PRIATE CONGEN OFFICERS ALSO SERVE ON AD HOC
COMMITTEES E.G. MULTINATIONALS (COML) AND MAJOR
PROJECTS (COML).
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PAGE 01 HONG K 04646 02 OF 02 261021Z

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TO SECSTATE WASHDC PRIORITY 0063

UNCLAS SECTION 2 OF 2 HONG KONG 4646

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SUBJECT: RELATIONSHIPS WITH AMERICAN CHAMBER HONG KONG

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(D) PRODUCT MARKETING SERVICE. THE CONGEN AND
THE CHAMBER, THE LATTER THROUGH THE AMCHAM EXECUTIVE
OFFICE CENTER IT OPERATES, COOPERATE IN OFFERING
TO TRAVELING AMERICAN BUSINESSMEN ESSENTIALLY THE
SAME PRODUCT MARKETING SERVICE AS IS AVAILABLE
AT TRADE CENTER POSTS (SEE HONG KONG 398 JANUARY
1976).

FOREGOING IS IN ADDITION TO THE MORE USUAL KINDS OF
COOPERATIVE ACTIVITIES: PROMOTING NEW MEMBERSHIPS PROMOTING AND
ATTENDING CHAMBER LUNCHEONS AND OTHER EVENTS, INCLUSION OF
CHAMBER OFFICERS AND MEMBERS IN REPRESENTATIONAL
FUNCTIONS, SUPPLYING COPIES OF BROCHURES AND OTHER
MATERIAL LIKELY TO BE USEFUL TO CHAMBER, ETC.

3. ON NEW JOINT PROJECTS AND DIVISION OF LABOR, WE
HAVE BEEN DISCUSSING AND CHAMBER SEEMS RECEPTIVE TO
AN ARRANGEMENT UNDER WHICH IT WOULD COMPILE AND

PUBLISH THE AMERICAN FIRMS LIST FOR HONG KONG. WE HAVE IN MIND A DIRECTORY ALONG LINES OF THOSE PUBLISHED BY AMCHAMS IN THE HAGUE AND LONDON COVERING AMERICAN FIRMS HERE PHYSICALLY AS WELL AS THOSE REPRESENTED BY AGENTS AND DISTRIBUTORS. CONGEN INPUT WOULD BE SUB-UNCLASSIFIED

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PAGE 02 HONG K 04646 02 OF 02 261021Z

STANTIAL SINCE IT WOULD INCLUDE OBTAINING AND SUPPLYING MUCH OF THE RAW DATE. ANOTHER REALTED TENTATIVE UNDERTAKING IS AN ARRANGEMENT FOR THE CHAMBER TO REFER THE US EXPORT TRADE INQUIRIES IT RECEIVES TO CONGEN FOR (A) REPLY AND THEN (B) COMPILATION INTO PERIODIC LISTS FOR FURTHER JOINT USE IN US EXPORT PROMOTION. ON FORMULATION OF CCP OUR LIAISON TO DATE WITH CHAMBER HAS BEEN CARRIED OUT VERY INDIRECTLY THROUGH OUR PARTICIPATION IN ITS TRADE EXPANSION COMMITTEE. WE HAVE PROPOSED CHAMBER CONSIDER A STRONGER AND MORE PROCEDURAL ROLE AND ARE AWAITING ITS RESPONSE.

4. WE ALSO HAVE DISCUSSED WTDR MATTER MENTIONED PARA 4 REFTEL AND BOTH CONGEN AND CHAMBER WOULD APPRECIATE ADDITIONAL INSIGHTS AS TO ARRANGEMENT U.S. CHAMBER AND DEPT (EB) HAS IN MIND. PLEASE CABLE.

5. WITH REFERENCE TO LAST SENTENCE PARA 1 OF REFTEL DEPT (EB) MAY WISH TO DISCUSS FOLLOWING WITH U.S. CHAMBER IN GENERAL TERMS:

(A) MOST IF NOT ALL AMCHAMS ABROAD HAVE THE AMERICAN AMBASSADOR OR CONSUL GENERAL AS THEIR HONORARY PRESIDENTS AND ACCORD HONORARY MEMBERSHIPS TO COMMERCIAL AND SOMETIMES OTHER STAFF FROM THE FOREIGN SERVICE POSTS IN THEIR PARTICULAR COUNTRIES. MANY CHAMBERS ALSO HAVE AN EMBASSY OR CONSULATE REPRESENTATIVE, MOST OFTEN THE SENIOR COMMERCIAL OFFICER, AS A MEMBER OF THEIR BOARDS OF GOVERNORS. THE PRESENCE OF SUCH A USG REPRESENTATIVE (WHO USUALLY SERVES AS AN EX-OFFICIO NON-VOTING MEMBER) AT BOARD MEETINGS CARRIES ADVANTAGES BOTH FOR THE CHAMBER AND THE POST AND WE WOULD LIKE TO SUGGEST THE US CHAMBER ENDORSE IT AS HIGHLY RECOMMENDED STANDARD PROCEDURE FOR ALL AMCHAMS ABROAD.

(B) MANY AMCHAMS ABROAD DO NOT RECOGNIZE THE INHIBITING EFFECT AND THE UNFAIRNESS INHERENT IN EXPECTING COMMERCIAL AND OTHER FS OFFICERS THEY WISH AND INDEED EXPECT TO ATTEND THEIR FUNCTIONS TO DO SO AT THEIR OWN EXPENSE, PARTICULARLY WHEN MANY OF THE PRIVATE INDUSTRY MEMBERS ARE CHARGING THEIR ATTENDANCE TO COMPANY EXPENSE ACCOUNTS. FS OFFICERS UNCLASSIFIED

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PAGE 03 HONG K 04646 02 OF 02 261021Z

CAN SOMETIMES QUALIFY FOR USG REIMBURSEMENT BY BRINGING A FOREIGN GUEST BUT THIS STRAINS ALREADY INSUFFICIENT REPRESENTATIONAL BUDGETS AND IN ANY EVENT IS NOT ALWAYS FEASIBLE AT COMMITTEE LUNCHEES, WORKING BREAK-FASTS, EXPENSIVE ANNUAL BALLS, ETC. MOST OF THE COMMITTEE MEETINGS MENTIONED IN PARA 2 (B) ABOVE ARE HELD OVER LUNCHEES OFTEN AT EXPENSIVE HOTELS. WHILE OUR LINE OFFICES REGULARLY ATTEND THEM NOTWITHSTANDING THE OUT-OF-POCKET COST A SENSE OF EQUITY SUGGESTS THAT CHAMBERS ABROAD MIGHT BE MORE FORTHCOMING (AND IMAGINATIVE) IN ABSORBING SUCH COSTS PARTICULARLY FOR THOSE OFFICERS ESPECIALLY ACTIVE IN CHAMBER AFFAIRS AND PROJECTS.

6. WITH REFERENCE TO PARA 3 REFTTEL AMCHAM HONG KONG REQUESTS DEPT. INFORM U.S. CHAMBER THAT IT WELCOMES INQUIRIES FROM, AND IS ALWAYS READY TO BE HELPFUL TO, AMERICAN BUSINESSMEN AND GROUPS WISHING TO ESTABLISH AMERICAN CHAMBERS IN AREAS WHERE THEY DO NOT ALREADY EXIST.
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